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STATE OF NEW JERSEY

CASINO CONTROL COMMISSION

SPECIAL MEETING NO. 12-09-14

- - - - -

RE: PETITION OF DGMB CASINO, LLC, AND MGA GAMING NJ,
LLC, FOR APPROVAL OF A MANAGEMENT AGREEMENT PURSUANT
TO NJSA 5:12-82C (DGE PRN 2301201); and
PETITION OF MGA GAMING NJ, LLC, FOR A
DETERMINATION OF STATUS AS A CASINO SERVICE INDUSTRY
ENTERPRISE PURSUANT TO NJSA 5:12-92A (DGE PRN 2301202)

- - - - -

Friday, September 14, 2012

Atlantic City Commission Offices

Joseph P. Lordi Public Meeting Room - First Floor

Tennessee Avenue and Boardwalk

Atlantic City, New Jersey 08401

10:03 a.m. to 10:36 a.m.

Certified Court Reporter: Darlene Sillitoe

- - - - -

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1 B E F O R E :

2 CASINO CONTROL COMMISSION:
3 MATTHEW B. LEVINSON, CHAIR
4 SHARON ANNE HARRINGTON, VICE CHAIR
5 ALISA COOPER, COMMISSIONER

6 PRESENT FOR THE CASINO CONTROL COMMISSION:
7 DARYL W. NANCE, ADMINISTRATIVE ANALYST
8 DANIEL J. HENEGHAN, PUBLIC INFORMATION OFFICER

9 OFFICE OF THE GENERAL COUNSEL:
10 DIANNA W. FAUNTLEROY, GENERAL COUNSEL/EXECUTIVE
11 SECRETARY
12 MARY WOZNIAK, ASSISTANT GENERAL COUNSEL

13 DIVISION OF GAMING ENFORCEMENT:
14 TRACY E. RICHARDSON, DEPUTY ATTORNEY GENERAL

15

16 A P P E A R A N C E S :

17 COOPER LEVENSON
18 BY: LLOYD D. LEVENSON, ESQ.
19 FOR: DGMB CASINO, LLC, AND MGA GAMING NJ, LLC

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AGENDA
SPECIAL PUBLIC MEETING NO. 12-09-14
SEPTEMBER 14, 2012, 10:30 a.m.

ITEM	PAGE	VOTE
1 Petition of DGMB Casino, LLC, and MGA Gaming NJ, LLC, for approval of a Management Agreement pursuant to NJSA 5:12-82C (DGE PRN 2301201)	6	18
2 Petition of MGA Gaming NJ, LLC, for a determination of status as a Casino Service Industry Enterprise pursuant to NJSA 5:12-92a (DGE PRN 2301202)	18	32

1 MR. NANCE: Good morning. I'd like to
2 read an opening statement:

3 This to advise the general public that
4 in compliance with Chapter 231 of the Public
5 Laws of 1975 entitled the "Open Public Meetings
6 Act," the New Jersey Casino Control Commission
7 on September 14th, 2010 [sic], filed with the
8 secretary of State at the State House, Trenton,
9 New Jersey, a notice of this hearing. On
10 September 14th, 2012, copies were mailed to
11 subscribers.

12 Members of the press will be permitted
13 to take photographs, and we ask that this be
14 done in a manner which is not distracting or
15 disruptive to the Commission.

16 The use of cell phones in the public
17 meeting room is prohibited.

18 Any member of the public who wish to
19 address the Commission will be given the
20 opportunity to do so before the Commission
21 adjourns for the day.

22 Please stand for the Pledge of
23 Allegiance.

24 (The flag salute was recited.)

25 MS. FAUNTLEROY: Good morning, Mr.

ITEM NO. 1

1 Chairman and Commissioners.

2 CHAIR LEVINSON: Good morning.

3 MS. FAUNTLEROY: Would you just indicate
4 your presence for purposes of identifying the
5 attendance, please.

6 Madame Commissioner Cooper?

7 COMMISSIONER COOPER: Present.

8 MS. FAUNTLEROY: Vice Chair Harrington?

9 VICE CHAIR HARRINGTON: Present.

10 MS. FAUNTLEROY: And Chairman Levinson?

11 CHAIR LEVINSON: Present.

12 MS. FAUNTLEROY: Today is a special
13 meeting that's been called to address the
14 adjourned matters from Wednesday's meeting.
15 They are identified as initially Agenda Item
16 No. 1, which was previously Agenda Item No. 10
17 at Wednesday's meeting, which is the petition
18 of DGMB Casino, LLC, and MGA Gaming NJ, LLC,
19 for approval of a Management Agreement pursuant
20 to NJSA 5:12-82c, DGE Petition No. 2301201.
21 That's Agenda Item No. 1.

22 Assistant General Counsel Mary Wozniak
23 is here to present the matter on behalf of the
24 Commission.

MS. WOZNIAK: Good morning, Chairman

ITEM NO. 1

1 Levinson, Commissioners.

2 CHAIR LEVINSON: Good morning.

3 MS. WOZNIAK: Mr. Lloyd Levenson is here
4 on behalf of the Petitioners and DAG Tracy
5 Richardson on behalf of the Division of Gaming
6 Enforcement.

7 CHAIR LEVINSON: Thank you.

8 Counsel please enter your appearance for
9 the record.

10 MR. LEVENSON: Sure. May it please the
11 Commission, Lloyd Levenson from Cooper Levenson
12 on behalf of both DGMB and Mohegan. MGA Gaming
13 New Jersey, LLC.

14 CHAIR LEVINSON: Thank you.

15 MS. RICHARDSON: Good morning, Chairman
16 and Commissioners.

17 CHAIR LEVINSON: Good morning.

18 MS. RICHARDSON: Tracy Richardson,
19 Deputy Attorney General for the Division of
20 Gaming Enforcement.

21 CHAIR LEVINSON: Thank you.

22 Before we hear from you, there are a
23 number of exhibits which have been premarked,
24 which I will have Mr. Nance now identify for

ITEM NO. 1

1 MR. NANCE: Chairman, Commissioners, the
2 premarked exhibits are as follows:

3 The Petitioners submitted two exhibits
4 marked as P-1 and P-2. P-1 is a Draft
5 Management Agreement dated August 31st, 2012,
6 DGMB Casino, LLC, and MGA Gaming New Jersey,
7 LLC. P-2 Amended and Restated Limited
8 Liability Company Agreement of DGMB Casino
9 Holdings, LLC.

10 The Division of Gaming Enforcement has
11 submitted one exhibit marked as D-1. D-1 is a
12 report of the Division of Gaming Enforcement on
13 the Petition of DGMB Casino, LLC, and MGA
14 Gaming, LLC, for approval of a Management
15 Agreement pursuant to NJSA 5:12-82c, Petition
16 No. 2301201 and Petition of MGA Gaming, LLC,
17 for determination of status as a Casino Service
18 Industry Enterprise pursuant to NJSA 5:12-92a,
19 Petition No. 2301201 [sic].

20 The Commission submitted one exhibit
21 marked for identification only, C-1. C-1 is a
22 Draft Resolution.

23 CHAIR LEVINSON: Thank you.

24 C-1 is noted for identification only.

Counsel, are there any requests for

ITEM NO. 1

1 redactions with respect to P-1, P-2 or D-1?

2 MR. LEVENSON: There's a request for
3 redactions with regard to P-1 and P-2.

4 And staff of the Division through Ms.
5 Richardson and Ms. Wozniak for the Commission,
6 we've had many discussions, and I believe we
7 all agree on what should be redacted.

8 CHAIR LEVINSON: Miss Richardson?

9 MS. RICHARDSON: We're in agreement with
10 the sealing request, Chairman.

11 CHAIR LEVINSON: Thank you.

12 Is there a motion to redact the portion
13 of the exhibits as outlined?

14 COMMISSIONER COOPER: I'd like to move
15 to redact the portions of the exhibits as
16 outlined.

17 CHAIR LEVINSON: Thank you.

18 Is there a second?

19 VICE CHAIR HARRINGTON: Second.

20 CHAIR LEVINSON: Motion has been made
21 and second.

22 Any discussion?

23 (No response.)

24 CHAIR LEVINSON: All those in favor

indicate by saying "aye."

ITEM NO. 1

1 (Ayes.)

2 CHAIR LEVINSON: Opposed?

3 (No response.)

4 CHAIR LEVINSON: Motion carries.

5 Are there any objections to the
6 admission of the exhibits into evidence?

7 MR. LEVENSON: No.

8 MS. RICHARDSON: No objection.

9 CHAIR LEVINSON: There being no
10 objection I see, I will move the exhibits into
11 evidence.

12 Are there any other procedural matters
13 that need to be brought to our attention at
14 this time?

15 (No response.)

16 CHAIR LEVINSON: Mr. Levenson, we'll
17 hear from you first.

18 MR. LEVENSON: Thank you. Thank you.

19 Mr. Chairman, Madame Vice Chairman,
20 Commissioner Cooper, this is a petition that we
21 filed for approval of the Management
22 Agreement. It's very clear under Section 82c
23 of the Casino Control Act what is required of
24 the parties to a management agreement.

Briefly, they are that each party hold a

ITEM NO. 1

1 casino license or a CSI license. That will be
2 determined in the next go-around, next
3 petition.

4 Second, the casino manager own at least
5 ten percent of the equity securities of the
6 casino licensee. As you can see from the
7 paperwork that we have submitted, we satisfy
8 that provision.

9 Next that the management agreement be
10 for the complete management for all casino
11 space and provide for the sole and unrestricted
12 power to direct the casino operations. The
13 Management Agreement provides for that.

14 Next that the agreement be for such a
15 durational term to ensure reasonable
16 continuity, stability, and independence in the
17 management of casino gaming operations. As you
18 note from the Agreement, that is for a period
19 of five years. The management agreements,
20 which would appear to satisfy that variable.

21 And, lastly, that each party to the
22 management agreement be jointly and severally
23 liable for all acts, omissions, and violations
24 of the Casino Control Act, and that is provided

ITEM NO. 1

1 So we have complied with each of the
2 requirements that are set forth in the Casino
3 Control Act, and we most respectfully ask that
4 the Commission approve of the Management
5 Agreement.

6 CHAIR LEVINSON: Thank you.

7 Miss Richardson?

8 MS. RICHARDSON: Mr. Chairman and
9 Commissioners, we've reviewed the Management
10 Agreement and the statutory requirements, and
11 we have recommended that the Commission approve
12 the Agreement under Section 82c.

13 We've also reviewed the Draft Resolution
14 and have no objection to that.

15 Thank you.

16 CHAIR LEVINSON: Thank you very much.

17 Is there anything else that you guys --
18 that either of you would like to present.

19 MR. LEVENSON: No, sir.

20 CHAIR LEVINSON: Okay. DGMB Casino,
21 Resorts, and MGA Gaming New Jersey, LLC,
22 Mohegan, filed a petition on August 17th, 2012,
23 seeking Commission approval of a management
24 agreement between them. The Casino Control Act

provides that every agreement for the

ITEM NO. 1

1 management of a casino must be in writing,
2 include certain mandatory components, and be
3 approved by the Commission.

4 The Act further directs the Commission
5 to require that the management agreement
6 provide for the following:

7 That each party to the agreement hold a
8 casino license or a casino service industry
9 enterprise license. The Commission will make
10 that determination as part of its consideration
11 at the next agenda item. That the casino
12 manager owns at least ten percent of the casino
13 licensee's equity securities. That the
14 management agreement be for the complete
15 management of all casino space and provide for
16 the sole and unrestricted power to direct
17 casino gaming operations. That the agreement
18 be for a long enough term that ensures
19 reasonable continuity, stability, and
20 independence in its management of the gaming
21 operations. And, lastly, that each party to
22 the agreement be jointly, individually liable
23 for all acts, omissions, and violations of the
24 Casino Control Act by either party to the

ITEM NO. 1

1 omissions, or violations of any provisions in
2 the agreement to the contrary.

3 As noted, each party to the Resorts/
4 Mohegan Management Agreement will be licensed.
5 MGA Holdings, LLC, an affiliate of Mohegan,
6 will represent a ten percent membership
7 interest in DGMB Casino Holdings, LLC, which
8 holds a 100 percent of the membership interest
9 in DGMB. MGA will be admitted as a
10 non-managing member.

11 The Agreement is for the complete
12 management of Resorts and provides Mohegan with
13 the power to direct casino gaming operations
14 for a minimal period of five years. Further,
15 the agreement cannot be terminated by either
16 party for the first two years except under very
17 limited circumstances.

18 Further, each party to the agreement
19 will be jointly and individually liable as
20 required.

21 In my opinion, the Petitioners have
22 provided the Commission with a management
23 agreement that complies with all relevant
24 statutory requirements.

Mohegan has been a consultant for

ITEM NO. 1

1 Resorts for the past few months, and its role
2 in that capacity is limited. This is a
3 critical time in Atlantic City. The State and
4 the industry are focusing their efforts to
5 transform the City into a well-rounded
6 destination resort. With our approval of this
7 Agreement, Mohegan will be able to implement
8 policies and practices that have helped make
9 its Connecticut casino one of the most
10 successful ever. I want to see Mohegan bring
11 that kind of success to Resorts. This deal
12 gives Resorts a strong, new management team
13 whose members have extensive experience here
14 and in other jurisdictions. Importantly,
15 Mohegan will have the ability to cross-market
16 Resorts with its casinos in Connecticut and
17 Pennsylvania. That will be an ordinarily
18 valuable tool not only to strengthen Resorts'
19 financial position but to attract new visitors
20 to Resorts and to Atlantic City.

21 While it's not part of this hearing, I
22 cannot overlook that Mohegan will begin
23 managing Resorts just as it's starting a \$35
24 million project with Jimmy Buffett to redesign

part of the casino hotel complex into a

ITEM NO. 1

1 Margaritaville theme.

2 Clearly, the combination of the new
3 management team and the new attractions will
4 create a new excitement in Atlantic City that
5 will help in its transformation.

6 Unless there's any additional questions
7 or comments from my fellow Commissioners?

8 VICE CHAIR HARRINGTON: Not from me.

9 CHAIR LEVINSON: I move that we adopt
10 the draft resolution and find that the Draft
11 Management Agreement complies with the
12 requirements in NJSA 5:12-82C(7) and (10), and
13 is approved subject to the following
14 conditions:

15 One, executed copies of the Agreement --
16 executed copies of the Management Agreement and
17 the DGMB Casino Holding Amended and Restated
18 LLC Agreement shall be filed with the
19 Commission and the Division within five
20 calendar days of execution;

21 And, two, any proposed material
22 amendment to the Management Agreement or the
23 LLC Agreement shall require prior Commission
24 approve upon the filing of the petition with

ITEM NO. 1

1 Is there a second?

2 COMMISSIONER COOPER: I'd like to make
3 that second.

4 CHAIR LEVINSON: The motion has been
5 made and seconded.

6 Is there any further discussion?

7 COMMISSIONER COOPER: Yes.

8 Mr. Chairman, I would just like to add
9 that I wholeheartedly support this motion, and
10 I am very, very excited at the prospect of
11 having the people who run one of the most
12 successful casinos in the country running the
13 first casino here in Atlantic City. I echo the
14 Chairman's comments. I welcome Mohegan to
15 Atlantic City, and I look forward to its
16 participation in the City's renaissance into a
17 complete resort community.

18 The excitement of what our friends at
19 Mohegan can add to Resorts and Atlantic City,
20 of course, is tempered by the loss of Dennis
21 Gomes. He was a very dear friend who helped
22 Atlantic City get to where it is today.

23 Today we wish Mohegan -- we wish Mohegan
24 all the best. We wish them well as it helps

lead the City into our future.

ITEM NO. 2

1 CHAIR LEVINSON: Thank you.

2 Anything else?

3 VICE CHAIR HARRINGTON: No.

4 CHAIR LEVINSON: This is a roll call
5 vote.

6 MS. FAUNTLEROY: Madame Commissioner
7 Cooper?

8 COMMISSIONER COOPER: Yes.

9 MS. FAUNTLEROY: Vice Chair Harrington?

10 VICE CHAIR HARRINGTON: Yes.

11 MS. FAUNTLEROY: And chairman Levinson?

12 CHAIR LEVINSON: Yes.

13 The yes affirms --

14 MS. FAUNTLEROY: The record will reflect
15 that the motion is unanimous.

16 CHAIR LEVINSON: Thank you.

17 MS. FAUNTLEROY: Agenda Item No. 2,
18 which was the adjourned Agenda Item No. 11 from
19 Wednesday's regular public meeting.

20 That matter is the Petition of MGA
21 Gaming NJ, LLC, for determination of its status
22 as a Casino Service Industry Enterprise
23 pursuant to NJSA 5:12-92a, DGE Petition No.
24 2301202.

ITEM NO. 2

1 Wozniak is here to present the matter to the
2 Commission.

3 MS. WOZNIAK: Again, Chairman Levinson,
4 Commissioners, Mr. Levenson on behalf the
5 Petitioners and Miss Richardson on behalf of
6 the Division.

7 CHAIR LEVINSON: Okay. Counsel please
8 enter your appearance for the record again for
9 this matter.

10 MR. LEVENSON: Yes. It's Lloyd
11 Levenson, Cooper Levenson, on behalf of DGMB
12 Casino, LLC, and MGA Gaming New Jersey -- NJ,
13 LLC.

14 MS. RICHARDSON: Thank you. Tracy
15 Richardson Deputy Attorney General for the
16 Division of Gaming Enforcement.

17 CHAIR LEVINSON: Thank you.

18 The exhibits for this matter are the
19 same as for the previous matter.

20 Mr. Nance will you identify again just
21 for the record, please.

22 MR. NANCE: Yes. Chairman,
23 Commissioners, the premarked exhibits are as
24 follows:

ITEM NO. 2

1 exhibits marked as P-1 and P-2. The P-1, Draft
2 Management Agreement dated August 31st, 2012,
3 DGMB Casino, LLC, and MGA Gaming LLC. P-2
4 Amended and Restated Limited Liability Company
5 Agreement of DGMB Casino Holdings, LLC.

6 The Division of Gaming Enforcement
7 submitted one exhibit marked as D-1. D-1,
8 Report of the Division of Gaming Enforcement on
9 the Petition of DGMB Casino, LLC, and MGA
10 Gaming, LLC, for approval of a management
11 agreement pursuant to NJSA 5:12-82c, Petition
12 No. 2301201, and petition of MGA Gaming, LLC,
13 for determination of status as a Casino Service
14 Industry Enterprise pursuant to NJSA 5:12-92a,
15 Petition No. 2301202.

16 CHAIR LEVINSON: Thank you.

17 Unless there are any objections, I see
18 no reason to renew the sealing requests since
19 they are the same documents that were in the
20 previous matter.

21 MS. RICHARDSON: No objection.

22 MR. LEVENSON: No objection.

23 CHAIR LEVINSON: Likewise, I assume
24 there's no objection to the admission of these

exhibits into evidence in this matter?

ITEM NO. 2

1 MS. RICHARDSON: No.

2 CHAIR LEVINSON: Okay. Lloyd?

3 MR. LEVENSON: No. Sorry. Sorry.

4 (Laughter.)

5 CHAIR LEVINSON: There being no
6 objections, I will move the exhibits into
7 evidence.

8 Are there any other procedural matters
9 that need to be brought to our attention?

10 MR. LEVENSON: No.

11 CHAIR LEVINSON: Mr. Levenson, I'll hear
12 from you first.

13 MR. LEVENSON: Chairman Levinson, Vice
14 Chair Harrington, and Commissioner Cooper, the
15 Statute used to require that a management
16 company obtain a casino license. Back in
17 February of 2011, our Legislature passed a law
18 which was signed into law by the Governor which
19 gave an option to the Commission to either
20 select a requirement that the management
21 company become a casino licensee or a casino
22 service industry enterprise licensee.

23 And even though probably 99 percent of
24 the people in this room know what I'm going to

say now, but I just want to make sure that it

ITEM NO. 2

1 is said that a casino service industry
2 enterprise licensee goes through a very
3 vigorous investigation. In many ways very
4 similar to a casino licensee application.
5 Because I've been involved in representing many
6 CSIs over the last 30-plus years, and have seen
7 the rigorous investigation that is conducted by
8 the Division of Gaming Enforcement. So there
9 is -- should be no fear that if you rule in
10 favor of a CSIE result here that there will be
11 some investigation less than completely
12 thorough and rigorous.

13 By promoting and passing legislation
14 giving the Casino Control Commission the
15 option, obviously, there is -- some companies
16 out there who propose to be managers who should
17 fit under the casino service industry
18 enterprise label, or else the Legislature was
19 sort of wasting its time by passing that
20 amendment. So I believe that when you look at
21 the situation here, and when you read the
22 agreements and see that there is very
23 significant rights that have been retained by
24 DGMB, there's almost two dozen areas where

ITEM NO. 2

1 DGMB. In this a situation, we have a very
2 unique situation with the type of ownership.
3 You know, many -- most of our casino properties
4 are publicly-traded companies. And very few
5 people or institutions own five percent or
6 more. It's very widely -- widely owned. Here
7 it is not. As everyone knows, Morris Bailey,
8 through JEMB Resorts, he and his family control
9 90 percent and own 90 percent of the company.
10 So even with the introduction of MGA here with
11 their ten percent investment, there is
12 certainly overwhelming control and ownership in
13 one -- one person. So what you have here is
14 sort of a classic case for the request for a
15 CSI designation. I don't think you ever get a
16 clearer one than this one.

17 So we would hope that the Commission
18 would agree that the result here should be that
19 we are required to file a complete CSIE
20 application as opposed to a casino license
21 application.

22 Thank you.

23 CHAIR LEVINSON: Thank you.

24 Miss Richardson?

MS. RICHARDSON: Thank you, Chairman and

ITEM NO. 2

1 Commissioners.

2 This is the first time that the
3 Commission has been asked to determine a
4 licensing status under the new Section 82C
5 amendments. We have, of course, reviewed the
6 amended statutes as well as the petitions and
7 the Management and LLC Agreements here, and
8 concluded that the Petitioner's request that it
9 be a required to obtain a CSI license may be
10 granted.

11 The option now exists in Section 82 for
12 the Commission to require CSI licensure for
13 management companies. Without guidance in the
14 Statute, it is appropriate to review the extent
15 of an entity's control to determine the
16 licensing status that they should have since
17 the Act normally dictates what qualification or
18 licensing you must have based on that control.

19 As we noted in the report and Mr.
20 Levenson mentioned, there are numerous areas in
21 the Management Agreement that require Mohegan
22 to consult with or obtain the prior approval of
23 DGMB Casino before making decisions. While all
24 of those areas are relevant, we identified

three particularly critical areas in the

ITEM NO. 2

1 Agreement that are essential to considering
2 that Agreement and the extent of Mohegan's
3 control. And just in summary, those areas are
4 personnel, financial controls, and casino
5 operations.

6 As Mr. Levenson also mentioned, in
7 addition to the prior approval areas, another
8 important control factor is that 90 percent of
9 the management -- excuse me -- membership
10 interests in DGMB Casino Holding, LLC, which is
11 the holding company of the casino licensee
12 here, will remain with DGMB Resorts after MGA
13 acquires its ten-percent interest.

14 We recommend that the petition be
15 granted and Mohegan be required to obtain a CSI
16 license subject to the conditions we noted in
17 the report which the Commission has amended and
18 supplemented, and we're in agreement with the
19 draft conditions.

20 The amended Statute affords new
21 flexibility on the licensing standard to be
22 applied to casino managers, and a review of all
23 of the documentation here evidencing the limits
24 on Mohegan's control and the overwhelming

ITEM NO. 2

1 effectively by Morris Bailey allows for a
2 conclusion that CSI licensure is appropriate
3 for Mohegan, and we recommend that the
4 Commission issue such a ruling.

5 Thank you.

6 CHAIR LEVINSON: Thank you.

7 Are there anything else you wish to
8 present?

9 MR. LEVENSON: Other than I've reviewed
10 the conditions, and we don't have any objection
11 to it.

12 CHAIR LEVINSON: Okay. Thank you.

13 Just hearing a lot from you today.

14 Okay.

15 By separate petition filed on the same
16 date, August 17th, 2012, MGA Gaming NJ, LLC,
17 seeks a ruling from the Commission that it
18 should be licensed as a casino service industry
19 enterprise, not as casino licensee, as a result
20 of its now approved Management Agreement with
21 Resorts.

22 Until recently, the Act required that
23 each party to a management agreement hold a
24 casino license. However, as a result of the

ITEM NO. 2

1 streamline the casino regulatory process and
2 provide the regulatory authorities with greater
3 discretion to address the ever-changing gaming
4 environment, the Commission was given
5 discretion to require a party to a management
6 agreement to hold either a casino license or a
7 casino service industry enterprise license.

8 Armed with this new discretion, this is
9 the first case presented to the Commission
10 which requires us to decide which level of
11 licensure should be required under the
12 circumstances presented.

13 I am satisfied that based on the
14 specifics of this matter, the information
15 contained in the petition, and the terms of the
16 Management and the Operating Agreements that
17 this is an instance where casino service
18 industry lic -- enterprise licensee is
19 appropriate, and that Mohegan's request,
20 subject to a number of conditions, should be
21 granted.

22 While Mohegan, as manager of Resorts,
23 will have control of Resorts' casino operations
24 as required for approval of a management

ITEM NO. 2

1 number of important and sensitive areas.
2 Further, the Division has reviewed the filings
3 extensively and has recommended, subject to
4 several conditions, that the Commission grant
5 the Petitioner's request.

6 I am satisfied that the proposed
7 conditions are not only appropriate but
8 necessary to ensure that the regulatory
9 authorities are informed of Mohegan's
10 interactions at the casino on an ongoing basis.

11 The conditions also ensure that the
12 Commission and the Division will have an
13 opportunity to review and reconsider this
14 matter should Mohegan acquire an additional
15 interest in Resorts or if any major changes in
16 the Management or Operating Agreement are
17 sought.

18 With that being said, I will entertain a
19 motion on this matter.

20 VICE CHAIR HARRINGTON: Mr. Chairman, I
21 move that we grant the requested relief and
22 find that pursuant to NJSA 5:12-82c(7), MGA
23 Gaming New Jersey, LLC, shall be required to
24 obtain a casino service industry enterprise

ITEM NO. 2

1 the following conditions:

2 One, MGA Gaming New Jersey shall provide
3 30 days prior written notice to the Commission
4 and the Division of any decision to exercise
5 its option to purchase an additional membership
6 interest in DGMB Casino Holding, LLC, and shall
7 promptly file a petition with the Division
8 seeking Commission review of the rulings and
9 findings in this matter;

10 Two, MGA Gaming New Jersey shall
11 promptly provide the Division with all
12 requested information and shall otherwise fully
13 cooperate with the Division;

14 Three, the Mohegan Tribal Gaming
15 Authority shall retain its audit committee
16 which shall meet at least quarterly and submit
17 detailed minutes of its meeting in accordance
18 with the Division rules;

19 Four, MGA Gaming New Jersey, and MGA
20 Holding New Jersey, LLC, shall comply with NJAC
21 13:69J-1.1 et seq., 13:69C-1.1, 1.2, 1.3, 2.3,
22 2.5, 2.7, 2.8, 2.9(a), 8.1, 8.2, and 13:69D-1.4
23 and 1.7 with any required notices and filings
24 directed to the Division for its review and any

ITEM NO. 2

1 Five, MGA Gaming New Jersey shall comply
2 with the Division's finance reporting rules
3 applicable to casino licensees, including but
4 not limited to NJAC 13:69C-4.1, et seq.;

5 Six, MGA Gaming shall be responsible for
6 compliance with all regulatory requirements
7 applicable to the casino operations to the same
8 extent as DGMB Casino;

9 Seven, any MGA New Jersey officer or
10 employee who is assigned to work and to
11 maintain a physical presence at the Resorts
12 Casino Hotel facility on a consistent and
13 continuing basis shall apply for and hold the
14 appropriate casino key employee license or
15 casino employee registration in accordance with
16 NJSA 5:12-7, -9, -89 and -91, and as determined
17 by the Division in consultation with the
18 Chairman of the Commission, notwithstanding
19 that MGA New Jersey is not itself a casino
20 licensee or holding and intermediary company of
21 a casino licensee. Such consultation shall
22 occur with regard to any MGA New Jersey officer
23 or employee who is identified as assigned to
24 work and to maintain a physical presence at the

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1 and continuing basis;

2 Eight, executed copies of the Management
3 Agreement and the DGMB Casino Holding, LLC,
4 Amended and Restated Limited Liability Company
5 Agreement shall be filed with the Commission
6 and the Division within five calendar days of
7 execution;

8 And, nine, any proposed material
9 amendment to the Management Agreement or the
10 LLC Agreement shall require the prior approval
11 of the Commission which shall be initiated by
12 the prompt filing of a petition with the
13 Division by MGA and DGMB requesting such
14 Commission approval.

15 CHAIR LEVINSON: Thank you.

16 Is there a second?

17 COMMISSIONER COOPER: Mr. Chair, I would
18 like to make a second.

19 And at this time I would also like to
20 just make a few comments.

21 I will support this motion, but let me
22 say that I do so with a certain degree of
23 trepidation.

24 It is clear that if this matter had come

before the Commission two years ago, Mohegan

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1 would have needed a full casino license. In
2 February of last year, the law was amended to,
3 among other things, give us the discretion to
4 require someone with a management contract to
5 obtain a casino service industry enterprise
6 license instead of a casino license.

7 Just a few moments ago I described how
8 excited I am about what Mohegan brings to
9 Resorts and to Atlantic City. And I very
10 sincerely reiterate that here. I also agree
11 with the analysis presented by the Chairman and
12 the conditions read into the record by Vice
13 Chair Harrington.

14 It is with these conditions that I
15 support this relief. However, if there is
16 change to these conditions, I would support
17 revisiting this issue in the future.

18 CHAIR LEVINSON: Okay. The motion has
19 been made and seconded. Is there any further
20 discussion?

21 VICE CHAIR HARRINGTON: No.

22 CHAIR LEVINSON: All those in favor
23 indicate by saying "aye".

24 (Ayes.)

CHAIR LEVINSON: Any opposed?

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1 (No response.)

2 CHAIR LEVINSON: The motion carries.

3 Is there any --

4 MS. FAUNTLEROY: I would note for the
5 record --

6 CHAIR LEVINSON: I'm sorry. Go ahead.

7 MS. FAUNTLEROY: I would note for the
8 record that the motion was unanimous.

9 Commissioners, before you adjourn, I
10 would ask the Chairman to call for public
11 participation or any further business.

12 CHAIR LEVINSON: Okay. Is there any
13 further business, any public --

14 MR. LEVENSON: Before you go there, may
15 I?

16 MS. FAUNTLEROY: Uh-huh.

17 MR. LEVENSON: May I just say a couple
18 things?

19 CHAIR LEVINSON: Uh- hum.

20 MR. LEVENSON: First of all, thank you
21 for holding a special meeting for these
22 matters.

23 Number two, I just wanted to place on
24 the record, if I could, both DGMB and Mohegan's

thanks to the Commission and the Division.

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1 Often because of delays on our part getting
2 information to them, they had to work long and
3 hard in hours that are not normally working
4 hours, and we thank the Commission side,
5 certainly Ms. Wozniak and General Counsel
6 Fauntleroy for their help.

7 On the Division, Miss Richardson, Miss
8 Flaherty, Mr. Rogacki, and Mr. Rover were also
9 involved in assisting and getting this matter
10 so that it could be heard today.

11 Obviously, to echo Commissioner Cooper's
12 remarks, Mohegan's eager to get started, so the
13 quicker that we could get this matter on and
14 decided, the quicker Mohegan can begin.

15 And I'd also thank my partner. I hate
16 to do a Clint Eastwood kind of thing.

17 (Laughter.)

18 MR. LEVENSON: But I'll do it in a much
19 more positive.

20 My partner Lynne Kaufman, who is -- was
21 a major part of getting this to where we are
22 today, unfortunately had a funeral she had to
23 attend out of state and could not be here. But
24 I wanted to make sure she was thanked on the

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1 And, lastly, a couple people in the
2 audience, make sure that you see, is -- first,
3 Nick Moles, who is obviously no stranger to
4 these parts. He is the Vice President, General
5 Counsel of DGMB. And Gary Van Hettinga, who is
6 the President of the Mohegan Gaming Advisors,
7 one of the applicants for a license here. Gary
8 also is really no stranger to Atlantic City.
9 Prior to being employed by Mohegan Sun, where
10 he left that Connecticut casino as CFO, he
11 worked at Tropicana as a Senior Vice President
12 of Slot Marketing Operations and a Senior Vice
13 President and CFO. And in between there, he
14 was President and GM of the Tropicana out in
15 Las Vegas. So he's the point person who will
16 be here in New Jersey. And, as you can see, he
17 has a wealth of experience in a lot of areas,
18 not only finance but operations. So please
19 help welcome Gary.

20 And, again, we thank you for your votes,
21 and we're ready to get going.

22 CHAIR LEVINSON: Thank you.

23 Open for the public.

24 MS. FAUNTLEROY: Yes.

1 CHAIR LEVINSON: Seeing none, there's no
2 further business, I will entertain a motion to
3 adjourn.

4 COMMISSIONER COOPER: I'll make a
5 motion.

6 CHAIR LEVINSON: Second?

7 VICE CHAIR HARRINGTON: Second.

8 CHAIR LEVINSON: Motion has been
9 seconded.

10 We are -- it's confirmed, and we can
11 adjourn. So thank you very much.

12 (Special Meeting 12-09-14 was adjourned
13 at 10:36 a.m.)

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C E R T I F I C A T E

I, DARLENE SILLITOE, a Certified Court Reporter and Notary Public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the proceedings.

I further certify that I am neither attorney, of counsel for, nor related to or employed by any of the parties to the action; further that I am not a relative or employee of any attorney or counsel employed in this case; nor am I financially interested in the action.

DARLENE SILLITOE, CCR
License No 30XI0102300

Dated: September 16, 2012
My Notary Commission Expires
July 22, 2014
ID No 2062871

